

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 91-097-C - ORDER NO. 91-443
June 5, 1991

IN RE: Application of Advanced Communication)
 Technologies for a Certificate of) ORDER
 Public Convenience and Necessity to) GRANTING
 Operate as a Reseller of Intrastate) CERTIFICATE
 Telecommunications Service.)

This matter is before the Public Service Commission of South Carolina (the Commission) by way of the application of Advanced Communication Technologies (ACT) requesting a Certificate of Public Convenience and Necessity authorizing it to operate as a reseller of telecommunications services and a provider of operator assisted services in the State of South Carolina. ACT's application was filed pursuant to S.C. Code Ann. § 58-9-280 (Supp. 1990) and the Regulations of the Public Service Commission of South Carolina.

The Commission's Executive Director instructed ACT to publish a prepared Notice of Filing in newspapers of general circulation in the affected areas once a week for two consecutive weeks. The purpose of the Notice of Filing was to inform interested parties of ACT's application and the manner and time in which to file the appropriate pleadings for participation in the proceeding. ACT complied with this instruction and provided the Commission with

proof of publication of the Notice of Filing. Petitions to Intervene were filed by Southern Bell Telephone & Telegraph Company (Southern Bell) and the South Carolina Department of Consumer Affairs (the Consumer Advocate).

A hearing was commenced on Thursday, May 2, 1991, at 10:30 a.m. in the Commission's Hearing Room. The Honorable Marjorie Amos-Frazier presided. James U. Troup, Esquire, and Randolph W. Hunter, Esquire, represented ACT; Carl F. McIntosh, Esquire, represented the Consumer Advocate; Harry M. Lightsey, III, Esquire, represented Southern Bell; and Gayle B. Nichols, Staff Counsel, represented the Commission Staff.

At the beginning of the hearing Southern Bell stated it would not actively participate in the hearing if ACT was willing to stipulate it would not complete intraLATA calls and if intraLATA calls were inadvertently completed it would reimburse Southern Bell. ACT agreed to this stipulation. Accordingly, Southern Bell did not actively participate in the hearing.

ACT presented the testimony of Homer T. Baker in support of its application. Mr. Baker explained ACT's request for certification to operate as a reseller of interexchange telecommunications services and to provide operator assisted services in South Carolina. He outlined ACT's financial qualifications, background, and technical capabilities. Mr. Baker explained that public convenience and necessity required issuance of ACT's requested certificate, particularly because ACT intends

to provide service in areas where interexchange carriers are not currently providing service.

After full consideration of the applicable law and of the evidence presented by ACT, the Consumer Advocate, and the Commission Staff, the Commission hereby issues its findings of fact and conclusions of law.

FINDINGS OF FACT

1. ACT is incorporated under the laws of the State of Nevada and has a certificate of authority to transact business as a foreign corporation in the State of South Carolina.

2. ACT operates as a reseller of long distance telecommunications. It intends to provide Alternative Operator Services (AOS), primarily to hotels and motels, hospitals, business establishments, temporary housing units, and to owners of coin and non-coin operated telephones. ACT will provide these services through its own switch and operators located in Salt Lake City, Utah.

3. As a resale carrier, ACT will provide service over facilities leased from other carriers. ACT will determine on the basis of cost, suitability, and quality of service from which carriers it will lease these facilities.

4. ACT has the experience, capability, and financial resources to provide the services as described in its application.

CONCLUSIONS OF LAW

1. Based on the above findings of fact, the Commission determines that a certificate of public convenience and necessity should be granted to ACT to provide intrastate, interLATA service through the resale of intrastate Wide Area Telecommunications Services (WATS), Message Telecommunications Service (MTS), Foreign Exchange Services, Private Line Services, or any other services authorized for resale by tariffs of facility-based carriers approved by the Commission.

2. ACT shall block or switch to the local exchange carrier (LEC) all intraLATA calls which are attempted over its network. If the Company incidentally or accidentally completes any intraLATA calls, the LEC shall be compensated by ACT as ordered by the Commission in Order No. 86-793, issued August 5, 1986, in Docket No. 86-187-C.

3. ACT's operators shall be required to brand all calls by identifying itself as the carrier for the call.

4. ACT shall provide tent cards for its hospitality customers to place near telephones where ACT is the provider. These tent cards shall indicate that ACT is the provider of operator services. The tent cards shall provide a telephone number for customers to call for rate and service information and complaints. Additionally, similar information shall be placed on pay telephones.

5. ACT shall allow an end user to access another interexchange carrier or operator service provider.

6. Except as limited by this Order, the Commission adopts ACT's proposed maximum rate tariff. ACT's proposed tariff indicates a rate structure mirroring the intrastate rates of AT&T Communications in effect at the time the call is made. Rates for operator assistance may be no higher than the current operator service rates charged by AT&T Communications at the time the call is made.

7. In regard to its proposed operator assistance surcharge, ACT's rate should reflect a limit of not more than \$1.00. As the property owner, ACT's customer, Buehner Fry & Associates, and the hotel, motel, or other business establishment may allocate the surcharge among themselves. ACT, however, may not receive any part of the surcharge.

8. ACT shall not adjust its rates below the approved maximum level without notice to the Commission and to the public. ACT shall file its proposed rate changes, publish its notice of such changes, and file affidavits of publication with the Commission two weeks prior to the effective date of the changes. Any proposed increase in the maximum rate level reflected in the tariff which would be applicable to the general body of ACT's subscribers shall constitute a general ratemaking proceeding and will be treated in accordance with the notice and hearing provisions of S.C. Code Ann. § 58-9-540 (Supp. 1990).

9. For the provision of intrastate telecommunications service ACT may only use underlying carriers that are certified by this Commission to provide such service. ACT shall notify the Commission in writing of its underlying carrier(s) and of any change in its carrier(s).


10. ACT shall file its tariff and an accompanying price list to reflect the Commission's findings within thirty (30) days of the date of this Order.

11. ACT is subject to access charges pursuant to Commission Order No. 86-584, in which the Commission determined that for access purposes resellers should be treated similarly to facilities-based interexchange carriers.

12. ACT shall file surveillance reports on a calendar or fiscal year basis with the Commission as required by Order No. 88-178 in Docket No. 87-483-C. The proper form for these reports is indicated on Attachment A.

IT IS SO ORDERED.

BY ORDER OF THE COMMISSION:


Chairman

ATTEST:


Executive Director

(SEAL)

ANNUAL INFORMATION ON SOUTH CAROLINA OPERATIONS

FOR INTEREXCHANGE COMPANIES AND AOS'S

(1) SOUTH CAROLINA OPERATING REVENUES FOR THE 12 MONTHS ENDING
DECEMBER 31 OR FISCAL YEAR ENDING _____.

(2) SOUTH CAROLINA OPERATING EXPENSES FOR THE 12 MONTHS ENDING
DECEMBER 31 OR FISCAL YEAR ENDING _____.

(3) RATE BASE INVESTMENT IN SOUTH CAROLINA OPERATIONS* FOR 12
MONTHS ENDING DECEMBER 31 OR FISCAL YEAR ENDING _____.

*THIS WOULD INCLUDE GROSS PLANT, ACCUMULATED DEPRECIATION,
MATERIALS AND SUPPLIES, CASH WORKING CAPITAL, CONSTRUCTION
WORK IN PROGRESS, ACCUMULATED DEFERRED INCOME TAX,
CONTRIBUTIONS IN AID OF CONSTRUCTION AND CUSTOMER DEPOSITS.

(4) PARENT'S CAPITAL STRUCTURE* AT DECEMBER 31 OR FISCAL YEAR
ENDING _____.

*THIS WOULD INCLUDE ALL LONG TERM DEBT (NOT THE CURRENT
PORTION PAYABLE), PREFERRED STOCK AND COMMON EQUITY.

(5) PARENT'S EMBEDDED COST PERCENTAGE (%) FOR LONG TERM DEBT
AND EMBEDDED COST PERCENTAGE (%) FOR PREFERRED STOCK AT YEAR
ENDING DECEMBER 31 OR FISCAL YEAR ENDING _____.

(6) ALL DETAILS ON THE ALLOCATION METHOD USED TO DETERMINE THE
AMOUNT OF EXPENSES ALLOCATED TO SOUTH CAROLINA OPERATIONS AS
WELL AS METHOD OF ALLOCATION OF COMPANY'S RATE BASE
INVESTMENT (SEE #3 ABOVE).